



**Technical cooperation among
developing countries**

Distr.
GENERAL

TCDC/9/3
7 April 1995

ORIGINAL: ENGLISH

**HIGH-LEVEL COMMITTEE ON THE REVIEW
OF TECHNICAL COOPERATION AMONG
DEVELOPING COUNTRIES**

Ninth session

New York, 30 May-2 June 1995

Item 6 of the provisional agenda*

**NEW DIRECTIONS FOR TECHNICAL COOPERATION AMONG
DEVELOPING COUNTRIES**

EXECUTIVE SUMMARY

The present report has been prepared in response to General Assembly resolution 49/96 of 19 December 1994. It examines the experience in technical cooperation among developing countries (TCDC) since the adoption in 1978 of the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries in an effort to identify the salient features of that experience and the lessons learned from it. Based on this review, the report concludes that, despite unmet needs and the fact that TCDC is still not optimally integrated within the operational activities of the United Nations system, the concept remains valid and indeed is likely to assume increased importance in the future in the light of the changes occurring in the international system and their impact on the traditional structure of multilateral technical cooperation.

It is argued that, while the dramatic changes that have occurred in the international economic system since the late 1980s have adversely affected the economic fortunes of many developing countries, they have nevertheless created increased opportunities for TCDC, based, among other things, on the increasing differentiation among developing countries.

* TCDC/9/L.1.



Given these new circumstances and realities, it is proposed that, in terms of its substantive policy and operational thrust, TCDC should in future focus on strategic initiatives that are likely to have a major impact on a large number of developing countries. It is also proposed that this focus should encompass major development issues and themes, such as trade and investment, debt, the environment, poverty alleviation, production and employment, macroeconomic policy coordination, and aid management.

It was felt that this shift to strategic interventions focusing on major development issues and themes would require a blurring of the traditional distinction between the "promotional" and "operational" dimensions of activities carried out within the TCDC framework and that, in keeping with this new thrust, it might be necessary to envisage a longer term TCDC involvement in certain activities, albeit on a selective basis. Examples of strategic initiatives that would attract TCDC support are the Small Island Developing States Technical Assistance Programme; the Asia-Africa Forum initiative; and the proposed exchange of experience between the countries of Latin America and the countries of the Commonwealth of Independent States (CIS).

On the basis of a definition of the principles and criteria that will inform the new substantive policy and operational thrust, the basic elements of the new directions agenda were seen as involving both a reorientation of existing TCDC practices and the identification of entirely new initiatives. In terms of the former, specific proposals are made for the formulation of national TCDC policies; the restructuring of the capacities and needs matching exercises; enhancement of the role of United Nations Development Programme (UNDP) country offices as facilitators of TCDC; the establishment of improved links with centres of excellence in the developing countries; and the expansion of the TCDC Information Referral System (INRES) into a multidimensional database, containing not only institutional data but also information on experts and centres of excellence and data on successful and innovative programme and project experiences capable of replication in other countries.

In terms of new initiatives, a central recommendation of the report is the need to effect a closer operational integration between TCDC and economic cooperation among developing countries (ECDC). Some of the other recommendations are the need to identify pivotal countries to serve as catalysts for implementing TCDC; the promotion of triangular cooperation arrangements, under which donors would agree to fund exchanges among developing countries; the compilation of information on successful and innovative projects capable of replication, and the use of the Special Unit for TCDC as the mechanism to facilitate the transfer of such project experiences to other developing countries; the identification of subject specific TCDC products, which could also attract funding by virtue of their importance; and the establishment of the Group of 77/UNDP award for TCDC/ECDC.

Having defined the substantive policy and operational thrust and the elements of the new directions agenda, the report examines the institutional

arrangements and funding requirements necessary to support the new vision of TCDC. At the institutional level, the report makes a number of recommendations on the issues to be considered at the meetings of the High-level Committee and on the need for revised arrangements at the national level in support of TCDC, as well as specific proposals for energizing the United Nations system in support of TCDC initiatives.

On the issue of funding, a number of proposals are advanced in the report, namely, earmarking of national resources for TCDC programmes; a recommended increase in UNDP's allocation for TCDC during the next programming period; continued allocation by countries of a proportion of their national indicative planning figures (IPFs) to support TCDC activities; triangular funding arrangements with donor participation; special resource mobilization efforts based on specific TCDC products which could attract funding by virtue of their importance; and funding arrangements with the private sector.

In concluding, the report observes that it is propitious that TCDC, which is an integral part of the operational activities of the United Nations system, should be reviewed during the fiftieth anniversary of the Organization. It is significant that 1995 also marks the twentieth anniversary of the adoption by the UNDP Governing Council in 1975 of its decision on new dimensions in technical cooperation.

The decision of the High-level Committee on new directions for TCDC will make an important contribution to the further elaboration of TCDC as a dynamic instrument in support of a truly global enterprise for development.

CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
I. INTRODUCTION	1 - 2	5
II. HISTORICAL BACKGROUND	3 - 7	5
III. EXPERIENCE IN TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES: LESSONS LEARNED	8 - 24	7
A. The regional experience	9 - 14	7
B. Activities of the Special Unit for technical cooperation among developing countries	15 - 16	9
C. Activities supported by other United Nations organizations and agencies	17 - 18	10
D. Remaining challenges	19 - 24	11
IV. THE CASE FOR NEW DIRECTIONS	25 - 33	12
V. SUBSTANTIVE POLICY AND OPERATIONAL THRUST	34 - 42	15
VI. A NEW AGENDA: BASIC ELEMENTS OF THE NEW DIRECTIONS ..	43 - 71	17
A. Reorientation of existing practices	44 - 58	17
B. New initiatives	59 - 71	20
VII. INSTITUTIONAL ARRANGEMENTS	72 - 81	23
VIII. FUNDING	82 - 93	25
IX. CONCLUSIONS	94 - 97	27

Annexes

I. List of participants in the External Panel on New Directions for Technical Cooperation among Developing Countries	29
II. Summary of the main recommendations of the report	30

I. INTRODUCTION

1. The present report is prepared for consideration by the High-level Committee on the Review of Technical Cooperation among Developing Countries in response to General Assembly resolution 49/96 of 19 December 1994 on the conference on South-South cooperation, which, inter alia, requested the Committee to include in the agenda of its ninth session an item entitled "New directions for technical cooperation among developing countries".
2. The report is the product of a series of internal and external consultations culminating in a meeting of an external panel of experts (see list of participants at annex I), which met in New York from 6 to 7 March 1995 and made a number of important suggestions and recommendations that have been incorporated in the report. The preparation of the report also benefited from suggestions received from individual Governments, United Nations organizations and agencies, selected intergovernmental organizations and non-governmental organizations (NGOs).

II. HISTORICAL BACKGROUND

3. The emphasis on technical cooperation among developing countries (TCDC) and economic cooperation among developing countries (ECDC), which emerged during the 1970s, was based on a recognition of the need to increase horizontal exchanges among the developing countries in order to complement the predominantly vertical North-South exchanges that had historically characterized international relations. Between 1973 and 1977, the General Assembly adopted a number of resolutions calling upon the international community in general and the United Nations system in particular to assist the developing countries in their efforts to increase technical exchanges among themselves. In addition, in 1975 the Governing Council of the United Nations Development Programme (UNDP) adopted a decision on new dimensions in technical cooperation, 1/ which called for increased emphasis to be placed on government execution and TCDC in the implementation of technical cooperation programmes. These efforts culminated in the United Nations Conference on TCDC, held in Buenos Aires from 30 August to 12 September 1978. The Buenos Aires Plan of Action 2/ adopted by the Conference sets out a comprehensive conceptual and operational framework for the promotion of TCDC which has been consistently reaffirmed in subsequent resolutions of the General Assembly, the Economic and Social Council and the High-level Committee.
4. During the 1980s, systematic efforts were made to accelerate TCDC exchanges in the various areas identified in the Buenos Aires Plan of Action through promotional and sensitization activities, and also on the basis of support for specific operational programmes and projects in a wide range of sectors, including those identified in the Non-Aligned Action Programme for Economic Cooperation among Developing Countries and the Caracas Programme of Action adopted by the High-level Conference on Economic Cooperation among Developing Countries in May 1981. 3/ Based on these efforts, significant progress was made in promoting TCDC. However, it is evident that a number of challenges would need to be overcome for TCDC to achieve its full realization. Among the most important of these challenges is the need to achieve wider acceptance of TCDC,

/...

both within and outside the United Nations system, and to advance the broader objectives of ECDC, which provides a natural framework for the application of TCDC.

5. The profound changes that have occurred in the international system since the late 1980s have also had a significant impact on traditional multilateral development cooperation, which in turn has major implications for the future prospects of TCDC. In this regard, the rapid globalization of markets and production structures, accentuated by an increased emphasis on the creation of a liberalized international trading regime, has presented special challenges and opportunities to the developing countries. Similarly, the creation of a number of new States from the former Union of Soviet Socialist Republics and parts of Eastern Europe has imposed new demands on the international community to provide economic and technical assistance in laying the foundation for their successful transformation into market economies. Moreover, the significant increase in the number of societies in conflict and the peace-keeping and humanitarian efforts that have had to be mounted have imposed new and urgent responsibilities on the traditional donors. The need to allocate resources to these new activities, together with the increasing fiscal constraints faced by some developed countries, has led to a decline in the resources available for traditional development cooperation.

6. These developments have stimulated an increased interest in TCDC as an instrument to promote a new system of participation and exchange among developing countries, not only to support their overall development objectives but also to ensure their more effective participation in the newly emerging structure of international relations. The report of the South Commission entitled "The Challenge to the South", ^{4/} which was launched in 1990, gave added impetus to TCDC. Based on its review of the report, the High-level Committee, at its eighth session, invited developing countries and United Nations organizations to examine for possible inclusion in their TCDC activities the recommendations contained in the report. The Administrator of UNDP was also requested to report to the ninth session of the Committee on the implementation of that decision. General Assembly resolution 48/164 of 21 December 1993 requested the Secretary-General to report to the Assembly at its fiftieth session, in 1995, on the state of South-South cooperation as a follow-up to the report of the South Commission. In its decision 8/2, the High-level Committee adopted the strategy and framework for the promotion and application of TCDC in the 1990s, which was endorsed by the Assembly in its resolution 48/172 of 21 December 1993. The strategy recommended, among other things, that high priority should be given to Economic and Social Council resolution 1992/41 of 30 July 1992 calling for first consideration to be given to the use of TCDC in the implementation of development programmes and projects, irrespective of the source of funding. Further, the Principles on new orientations in technical cooperation adopted by the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development in 1991, emphasized the relevance of South-South cooperation in the delivery of multilateral technical cooperation. This renewed interest in the subject is also evident in the declaration of the ministerial meeting of the Group of 77 held in September 1994, which emphasized the importance of South-South cooperation and called for the convening of a United Nations conference on the subject. Similarly, in his statement to the forty-ninth session of the General Assembly,

the Deputy Prime Minister of Japan called for increased emphasis to be given to South-South cooperation and urged its inclusion as an integral part of the Agenda for Development. Finally, in its resolution 49/96, the Assembly called upon the Secretary-General to prepare a comprehensive report containing recommendations for strengthening and expanding South-South cooperation, taking into account the decision of the High-level Committee based on its consideration of the item entitled "New directions for TCDC", which is the subject of the present report.

7. In view of the changes occurring in the traditional structure of multilateral development cooperation and the widespread impact of technological innovation, which have created new possibilities for accelerating the pace of development, TCDC would need to be significantly reoriented if it is to respond effectively to these challenges. Furthermore, appropriate supporting institutional structures and financing modalities must also be put in place. It is against this background that the present report should be conceived and operationalized.

III. EXPERIENCE IN TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES: LESSONS LEARNED

8. The accumulation of nearly two decades of experience has provided a number of insights into the strengths and weaknesses of TCDC as it has evolved since the adoption of the Buenos Aires Plan of Action in 1978. In recognition of their primary responsibility for promoting TCDC, the developing countries have engaged in a wide range of technical exchanges among themselves, at the regional level as well as interregionally.

A. The regional experience

9. In the Arab region, Egypt and Tunisia have been particularly active in promoting TCDC exchanges in the Anglophone and Francophone States respectively, as well as in sub-Saharan Africa, in such areas as agriculture, energy, infrastructure development and the environment. For example, during the past decade, the Tunisian Agency for Technical Cooperation has provided some 7,000 experts and junior technical personnel to serve abroad and has received over 1,000 trainees from various African and Arab countries.

10. In the case of Eastern Europe and the Eastern Mediterranean, Turkey, Malta, Cyprus and Poland have been actively involved in promoting TCDC both within and outside the region. Turkey, for example, allocated bilateral funding exceeding \$70 million for the biennium 1993-1994 for technical cooperation activities with other developing countries. It has provided experts and volunteers as well as scholarships, fellowships and study tours for participants from the region. Cyprus, Malta and Poland have also provided specific types of expert services and training to other developing countries in the region.

11. In Asia and the Pacific, a number of countries, including China, India, Thailand, Singapore and Indonesia, have established bilateral TCDC programmes and have allocated resources from their UNDP IPF to finance TCDC activities.

The small island countries in the Pacific and Indian Oceans have also engaged in TCDC exchanges to address such issues as sealevel rise, problems relating to diseconomies of scale deriving from their small size, tourism and the threat to biodiversity. Regional institutions such as the Asia Pacific Centre for the Transfer of Technology, based in New Delhi, the Network of Aquaculture Centres in Asia and the Pacific, based in Bangkok, the Asia Pacific Centre for Development, based in Kuala Lumpur and the South Pacific Regional Environment Programme, based in Samoa, have served as important vehicles for the promotion of TCDC. The Hangzhou Regional Centre for Small Hydro Power, which was established in China with UNDP assistance, offers considerable potential for promoting TCDC exchanges in this field. Similarly, the growth of regional and subregional groupings such as the Association of South-East Asian Nations, the South Asian Association for Regional Cooperation and the South Pacific Coordination Group have assisted the participating countries to focus on a number of common problem areas in such fields as trade, agriculture, transport and telecommunications.

12. The Latin American and Caribbean experience with TCDC exhibits a number of unique features. Countries such as Argentina, Brazil, Chile, Colombia, Mexico and Venezuela have played a leading role in promoting TCDC both through their own independently funded bilateral programmes and through use of the UNDP IPF mechanism. Subregional groupings within regions such as the Latin American Economic System (SELA) and the Caribbean Community have also played an active role in promoting TCDC exchanges. Of particular relevance and significance have been the efforts to support Central America in its transition from conflict to development. With agreements such as the one on the San Jose oil facility, funded by Mexico, Trinidad and Tobago and Venezuela; the establishment of SELA's Action Committee for the Development of Central America and the efforts of other multilateral agencies such as the European Union; the Inter-American Development Bank, through its Regional Consultative Group; and the United Nations, through the UNDP-administered Special Plan of Economic Cooperation for Central America, extensive use was made of the TCDC modality. Moreover, patterns of TCDC exchanges are likely to intensify in the context of economic cooperation and integration arrangements such as the Southern Cone Common Market, which links Argentina, Brazil, Paraguay and Uruguay; the Central American Integration Scheme; and the newly established Association of Caribbean States.

13. In the case of Africa, countries such as Nigeria, Senegal, Ethiopia, Ghana and the United Republic of Tanzania have been major supporters of TCDC. The potential for TCDC and ECDC needs to be more fully utilized through the Organization of African Unity and the Indian Ocean Commission. The formation of the African Economic Community in May 1991 represents a renewed effort to revamp cooperation and integration arrangements. The African Economic Community is expected to be anchored in existing subregional organizations such as the Economic Community of West African States, the Common Market for Eastern and Southern Africa and the Southern African Development Community. Interesting opportunities for TCDC are emerging with the involvement of regional institutions such as the West African Rice Development Association, the International Institute of Tropical Agriculture, the Eastern and Southern African Management Institute and the African Regional Centre for Technology.

14. One development with increasing relevance to the promotion of TCDC is the trend towards growing differentiation among groups of developing countries, measured in terms of both their respective levels of development and the nature of their integration into the global economy. This would suggest that careful consideration should be given in future to the possible formulation of differentiated strategies for the promotion of TCDC to take account of these differences. This approach should, however, be pursued without prejudice to the continuing need to promote interregional cooperation linking the various regions of the developing world on the basis of TCDC arrangements. This is clearly necessary in view of the fact that many developing countries in the different regions have experienced an evolution from being net recipients to net providers of technical and economic assistance. This dynamic shift in the situation of these countries puts them in an effective position to share with other developing countries the techniques and experiences that have made them successful.

B. Activities of the Special Unit for Technical Cooperation
among Developing Countries

15. In keeping with the mandate provided by the Buenos Aires Plan of Action, the UNDP Special Unit for TCDC has played an active role within the United Nations system in promoting and supporting TCDC activities, both regionally and interregionally. Activities undertaken by the Unit over the years have embraced a variety of methodologies, especially those set out under four major subprogrammes. Specifically, these programmes include capacities and needs matching exercises and subject-specific workshops; capacity enhancement for the management of TCDC; studies and evaluations in priority areas; promotional and sensitization activities designed to promote greater awareness of TCDC and its increased utilization in the development process; and the dissemination of information on institutional capacities through the use of TCDC-INRES. Most recently, capacities and needs matching exercises were held in Argentina on food and agriculture; in Bangladesh on rural credit and poverty alleviation; in Uganda on the services sector; and in Nigeria on agriculture and rural development. Each of these exercises resulted in a significant number of bilateral agreements for technical cooperation between the participating developing countries. Subject-specific workshops were held in all of the regions and focused on interactive exchanges and consultations designed to share experiences and know-how which would result in the replication of applicable technologies and approaches in an increased number of developing countries. These workshops have had a catalytic effect in mobilizing resources in the developing countries for the implementation of activities in the various areas identified. The Unit also played a central role in helping to define better the functions of the TCDC focal point mechanisms within participating countries to strengthen and enhance their ability to promote and apply the TCDC modality.

16. As part of the activities undertaken by the Unit, a feasibility study was prepared in respect of the Small Island Developing States Technical Assistance Programme, which is intended to serve as a basis for the operationalization of the Programme of Action adopted at the Global Conference on the Sustainable Development of Small Island Developing States, held in Bridgetown, Barbados, from 25 April to 6 May 1994. 5/ Substantial assistance is being provided by the

Unit in the form of policy analysis from a gender perspective, based on the comparative experience of grass-roots women's organizations in support of the preparations for the Fourth World Conference on Women, to be held in Beijing in September 1995; and for the organization of exchanges on effective urban management practices as a contribution to the United Nations Conference on Human Settlements (Habitat II), to be held in Istanbul in 1996. Other activities have focused on priority development sectors, including the strengthening of institutional capacities for education through inter-university cooperation in research; studies on aid coordination; studies on African food production and food processing technologies for commercialization; linkages between research and development, public policy and private sector investment and production in studies undertaken by universities; the preparation of a policy-oriented framework to improve the socio-economic conditions of women; support to the health learning materials programme and the establishment of the International Network on Small Hydro Power in China. The support provided to these activities further strengthened networking and twinning arrangements and promoted linkages between centres of excellence in the developing countries. The collective impact of the activities carried out under these subprogrammes has expanded the use of the TCDC modality through selected, strategic interventions, in turn resulting in the generation of additional resources and the replication of know-how and technology in a large number of developing countries. Consequently, despite the modest resources at its disposal, measured by its substantive policy input and catalytic influence, the Unit has played a critical role in the promotion of TCDC.

C. Activities supported by other United Nations organizations and agencies

17. In addition to the work of the Special Unit for TCDC, many United Nations organizations and agencies have also played an effective role in support of TCDC activities by providing appropriate advisory and technical services. These include the Department for Development Support and Management Services, the Food and Agriculture Organization of the United Nations (FAO), the International Labour Organization (ILO), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Industrial Development Organization (UNIDO) and the World Health Organization (WHO). Valuable assistance in promoting TCDC initiatives has also been provided by the United Nations regional commissions.

18. The activities identified above attest to the fact that over the years a number of significant TCDC initiatives have been carried out. However, a number of unmet needs persist while new challenges have arisen in response to emerging global challenges. Moreover, a number of weaknesses that have been identified would need to be addressed if TCDC is to serve as a more effective instrument in support of development.

D. Remaining challenges

19. As practised today, TCDC consists of a matrix of activities that are multifaceted in nature and are carried out by a wide range of actors, including national Governments, regional institutions, multilateral agencies, NGOs and the private sector. Increased efforts would therefore need to be made to ensure improved linkages between the various activities in order to achieve a more efficient allocation of resources and the overall rationalization of objectives, as failure to do so could lead to excessive fragmentation of effort and a less than optimal use of resources.

20. Notwithstanding the conspicuous successes which have been achieved in many areas, there is a tendency on the part of many developing countries to view TCDC as a less desirable technical cooperation modality compared with traditional North-South exchanges. This often results in a lack of awareness of the real potential of TCDC as a technically appropriate and cost-effective modality for addressing developing countries' needs and strengthening links with their partners in the South.

21. In spite of its fairly widespread application, the use of TCDC within the United Nations system has not been fully optimized. The United Nations system itself has often failed to promote TCDC effectively because of its underlying orientation and pervasive institutional culture in favour of traditional technical cooperation activities. Moreover, in terms of the totality of TCDC needs, the United Nations system still provides relatively modest resources in support of these needs.

22. A number of critical preconditions must also exist if TCDC activities are to be optimally implemented. First, beneficiary countries should articulate a clear national policy on TCDC, as was emphasized in the strategy for TCDC in the 1990s endorsed by the eighth session of the High-level Committee. In addition, countries should have a clear grasp of their capacities and needs and should put in place suitable mechanisms to manage the transfer and/or absorption of skills from other countries. In order for TCDC to be utilized as a major instrument of development in any country, it is essential to have a well-established and competent entity, properly located within the structure of Government, with responsibility for managing the TCDC process, including monitoring the implementation of agreements concluded with other countries as a result of capacity and needs matching exercises sponsored by the Special Unit for TCDC. Finally, the United Nations system is most effective in promoting TCDC activities when UNDP country offices possess a thorough understanding of the TCDC process and there is a clear commitment to make TCDC activities an integral part of initiatives in support of national development efforts.

23. It is pertinent to observe that, despite the fact that TCDC has been the subject of more resolutions of the General Assembly, the Economic and Social Council, the High-level Committee and, indeed, the UNDP Executive Board than perhaps any other programme area, the above-mentioned conditions are not optimally present in the TCDC activities of the United Nations development system and in national programmes. The broad mandate outlined in the Buenos Aires Plan of Action has sometimes tended to be measured in terms of the number of experts from developing countries working on projects, the frequency of

/...

meetings to promote TCDC and the level of procurement from the developing countries, instead of being seen as a rational imperative for ensuring the full integration of TCDC into the wider conception of operational activities in support of the overall development process.

24. The assessment of the TCDC experience over nearly two decades since the adoption of the Buenos Aires Plan of Action reaffirms the validity of the concept and its importance as an instrument of multilateral development cooperation. Inevitably, however, it must be reoriented in keeping with new realities and as part of the ongoing reconceptualization of multilateral development cooperation and the role of the United Nations operational activities in that process.

IV. THE CASE FOR NEW DIRECTIONS

25. The period since the adoption of the Buenos Aires Plan of Action, and more particularly the past few years, has witnessed dramatic changes in the structure of international relations that are unprecedented in modern history. The increasing globalization of economic activities, the emergence of new States in Eastern Europe and Central Asia; the paradigmatic shift in development thinking from economic planning and government-led interventions to reliance on the private sector and market forces; the rise of new economic power centres in the South, most notably in East Asia and parts of Latin America; the communications and information revolution; the escalation of military conflict in parts of Central Europe and the Middle and Near East; the resurgence of the United Nations as a major multilateral instrument in the service of conflict resolution, peace-keeping and peace-building; and the persistence of underdevelopment and widespread poverty in many parts of the developing world, have all fundamentally altered the dynamics of international cooperation during the 1990s. Moreover, the flow, patterns and direction of development assistance have changed to respond to new needs and realities. While these developments have had a negative impact on many developing countries, which continue to grapple with the problem of widespread poverty, debt and adjustment, they have at the same time, quite paradoxically, expanded significantly the possibilities for cooperation among developing countries. Within this overall framework, the specific developments that are likely to influence the shape, substance and modalities of cooperation among developing countries in the future are detailed below.

26. The increased globalization of international economic relations, based on the communications and information revolution, has created an increasingly interdependent world and has significantly expanded the volume of economic transactions. The response of the developing countries to these altered circumstances has varied according to their particular economic circumstances and level of development. For example, many countries in Africa continue to face economic difficulties and therefore have not been able to take full advantage of these opportunities. On the other hand, the newly industrializing countries of East Asia and the wider group of so-called high-performing Asian economies, as well as a number of countries in Latin America and the Caribbean, Western Asia and North Africa, have achieved high levels of economic growth and have demonstrated a capacity to respond to the new global challenges. The

/...

economic and technological differences within the developing world, though undesirable, have nevertheless broadened the possibilities for cooperation among developing countries in an unprecedented manner. In particular, the more economically advanced developing countries are in a position to transfer to other developing countries the skills and experience, including new and innovative techniques of industrial organization and production and the creative application of technology, that have proved so successful in increasing the productivity and competitiveness of their own economies.

27. The emergence of the new States in Eastern Europe has imposed on the international community the need to provide economic and technical assistance to effect a successful transformation into market-based economies and, in the process, to deal with the economic programmes sponsored by the Bretton Woods institutions, which represents an entirely new experience for those States. Some regions in the developing world, such as Latin America and the Caribbean, have developed expertise in dealing with the financial and economic programmes of the International Monetary Fund (IMF) and the World Bank and have also managed the transition from a government-led development effort to an increased reliance on the private sector in the context of a free market economy. Consequently, they are in an ideal position to provide assistance to the CIS countries on the basis of innovative TCDC arrangements.

28. The emergence of new communications and information technologies has significantly affected the pattern of international exchanges. The new telecommunications technology, including digitization of information, high-speed computer chips and multi-media instruments of education and research, now permits the instantaneous transfer of information among countries. Although many developing countries as yet have only a limited capacity to exploit fully these instruments of communication, these developments nevertheless offer significant opportunities for identifying new modalities to operationalize TCDC exchanges.

29. The past decade has also witnessed a fundamental shift in development thinking. In contrast to the traditional emphasis on economic planning and the notion of a developmental State orchestrating widespread interventions in the development process, increased reliance is now placed on private-sector-led development and the adoption of free-market solutions, with a consequent marginalization of the role of the State. This new development paradigm is often embodied in economic stabilization and structural adjustment programmes sponsored by IMF and the World Bank and carried out by the developing countries. However, the implementation of such programmes has in many cases involved a number of challenges in terms of reconciling the needs of economic efficiency and social development objectives. The structuring and sequencing of macroeconomic policy measures, as well as the adoption of investment options, have often proved problematic to countries embarking on such programmes. These countries could benefit from the experience of countries that have already undergone a process of adjustment. Consequently, the whole area of economic policy reform, which is so central to effective long-term sustainable development, lends itself to the promotion of fruitful TCDC exchanges. Moreover, the broadening of the base of participation in the development process to include NGOs and the private sector also suggests the need for TCDC to build new partnerships with those groups in order to exchange experience across

/...

countries and between regions in areas of common concern. The world-wide networks created by some NGOs already serve as extremely efficient vehicles of South-South cooperation.

30. In the pursuit of a human-centred approach to development that is, in large measure, oriented to human resources development and the creation of sustainable institutional capacities, technical cooperation has been increasingly recognized as an important input in the development process. As originally conceived, technical assistance was seen simply as an appendage to capital investment in the form of project engineering and feasibility studies. However, it is now widely accepted as a necessary complement to capital investment and as an indispensable instrument for ensuring a truly sustainable development process. Consequently, TCDC, as an important aspect of this form of cooperation, has also assumed increased prominence as an instrument for development.

31. Finally, the evolving dynamics of the global order in recent years has led to a significant expansion of the global agenda. From the perspective of the developing countries, the demands of trade and investment, improved production and productivity, debt, poverty alleviation and effective environmental management and the challenge of promoting an accelerated pace of development are of paramount importance. The case for improving the status of women and effectively integrating them into the development process continues to demand international action and will be comprehensively addressed during the Fourth World Conference on Women, at Beijing later this year. The continued expansion of cities under the weight of the demographic revolution in the developing world has put excessive pressure on urban infrastructure, including the need to ensure the provision of adequate potable water, sanitation, transportation and other related facilities. This issue will also receive the attention of the international community during the Habitat II Conference in 1996. Moreover, although advances in medicine have led to the virtual eradication or control of diseases such as smallpox, typhoid and cholera, which traditionally have had a devastating effect on the developing countries, a new and formidable challenge has arisen in the form of the human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS) pandemic, which threatens to set back development efforts because of the need to reallocate scarce resources from traditional development concerns to address this crisis.

32. All of these issues present formidable challenges to the international community and need to be addressed with a sense of urgency. In one way or another, they have been reflected in the decisions of the International Conference on Population and Development in Cairo and the World Summit for Social Development in Copenhagen, and will again be addressed in the Beijing Conference on Women and Habitat II in Istanbul. The results of these conferences, together with the Agenda for Development to be adopted by the General Assembly, will in large measure shape the agenda for multilateral development cooperation into the twenty-first century. Given the far-reaching nature of these challenges, traditional North-South cooperation will need to be complemented by a renewed emphasis on South-South cooperation if these tasks are to be carried out effectively.

33. For these reasons, it is both timely and appropriate to revisit the substance of TCDC in order to ensure it is conceived and applied in a manner consistent with the new realities of a changed global order.

V. SUBSTANTIVE POLICY AND OPERATIONAL THRUST

34. Based on the fundamental and inexorable shifts that have occurred in the dynamics of global development cooperation, it is important to reorient TCDC in terms of its substantive policy and operational thrust in order to ensure that it continues to serve as a dynamic technical cooperation instrument at the disposal of the developing countries and the international community as a whole. Given the changed realities and current challenges, TCDC will need to focus increasingly on strategic initiatives that are likely to have a major development impact on developing countries or that are likely to enable them to address important problems of common interest. This does not mean that specific interventions aimed, for example, at replicating proven and effective technologies, the functioning of effective networks or the matching of clearly identified capacities and needs would be excluded, as it is important for TCDC to maintain its flexibility to respond creatively to specific needs. The new focus suggests, however, that in terms of its primary programme orientation, greater emphasis will be placed in future on core development issues of special interest to a large number of developing countries.

35. Given the current challenges facing the developing countries, it is proposed that the following should be the major priority issues and themes for strategic interventions: trade and investment; debt; the environment; poverty alleviation; production and employment; macroeconomic policy coordination; and aid management. These priorities have been identified in various forums by developing countries themselves as of special importance.

36. The proposed shift to strategic interventions focusing on major development issues or themes will, in some cases, demand longer-term involvement and may, therefore, require a blurring of the traditional distinction between "promotional" and "operational" activities within the TCDC framework. This may require a change in the present practice of supporting one-time catalytic interventions and, instead, involve the provision of inputs on a longer-term basis, albeit in a selective manner. The effectiveness of the impact of TCDC interventions should also be closely monitored and supported. This, in turn, will require suitable follow-up operational activities in the wake of initial promotional efforts. What is required is a new approach to TCDC that is explicitly anchored in the longer-term objectives of ECDC. Thus, the new directions for TCDC will require changes in current procedures and practices in two critical areas, namely, interventions of a sustained nature and the application of both promotional and operational TCDC activities in respect of the same issue. This would also require an explicit linkage between technical cooperation and investment, focusing on urgent development challenges faced by groups of countries. It will therefore be necessary to encompass within this framework both bilateral and regional or group-specific programmes of cooperation.

37. TCDC initiatives involving a large number of countries in the terms described above would provide a better basis on which to analyse and evaluate results and to develop constructs on which to build more effective programmes in the future.

38. One example of an innovative initiative that could form the basis for a strategic TCDC arrangement, and in which the Special Unit for TCDC has an important role to play, is the Programme of Action for the Sustainable Development of Small Island Developing States. ^{5/} This programme, which was endorsed by the General Assembly in its resolution 49/122 of 19 December 1994, represents a creative TCDC initiative that could make a significant contribution to the overall development of the countries concerned. Within UNDP, the Special Unit for TCDC has been designated as the Unit responsible for coordinating the follow-up to the Barbados Conference. The Unit is currently engaged in following up the implementation of the Small Island Developing States Technical Assistance Programme on the basis of the feasibility study submitted on the subject to the forty-ninth session of the Assembly.

39. Another initiative of a strategic nature is the Asia-Africa Forum, which held its first meeting in Bandung, Indonesia, in December 1994 as a follow-up to the Tokyo International Conference on African Development, which was hosted by the Government of Japan in October 1993. The conclusions and recommendations adopted at the Bandung meeting identified a number of areas for cooperation on a TCDC basis, namely, exchange of experiences on structural adjustment programmes; networking of African and Asian institutions; strategies and policies to increase agricultural productivity, including intensification of crops, livestock, fisheries and forestry; the establishment of appropriate mechanisms for increasing domestic savings; the promotion of contacts between African and Asian chambers of commerce; the establishment of joint ventures; increased Asian participation in African trade institutions and banks; and the creation of African-Asian communications, trade and research networks. Participants at the Forum, which was jointly sponsored by the Government of Japan, the United Nations Secretariat, UNDP and the Global Coalition for Africa, called upon international agencies, and in particular the Special Unit for TCDC, to assist in implementing the activities envisaged in the various areas agreed upon.

40. The proposed programme of cooperation between countries in Latin America and CIS, which will promote exchanges to allow CIS countries to observe the operations of Latin American institutions dealing with privatization and the management of structural adjustment programmes and to learn from such experiences, represents yet another example of a strategic initiative in interregional TCDC cooperation.

41. In seeking to promote a more strategic vision for TCDC, it is important to ensure that programmes are demand driven. Consequently, mechanisms will be developed to ensure more systematic consultations between the Special Unit for TCDC, Governments, intergovernmental organizations, United Nations agencies and the regional commissions to identify initiatives which reflect the central priorities of the developing countries themselves.

42. The translation of strategic initiatives and critical themes into operative and effective programmes can be facilitated through the use of modern

communication methods, by which messages could be transmitted with a sense of immediacy for greater impact. It should also involve the utilization of successful experiences which lend themselves to replication. Finally, the success of this effort is premised on the need to ensure that properly trained personnel are available to carry out such initiatives and that sufficient financial resources will be provided as necessary inputs.

VI. A NEW AGENDA: BASIC ELEMENTS OF THE NEW DIRECTIONS

43. Inevitably, the identification of an agenda for new directions for TCDC will necessarily involve not only new initiatives but also a reorientation and improvement of existing practices and procedures. This is to be expected, as many of the assumptions underlying TCDC, together with its practices and procedures, continue to be valid, although some would clearly need to be revised. Similarly, in seeking to make TCDC a more effective instrument for promoting collective self-reliance, it will not be necessary to devise in every case entirely new mechanisms, but rather to reshape proven methodologies to respond to new needs.

A. Reorientation of existing practices

44. Through an ongoing process of evaluation, the Special Unit for TCDC has consistently sought to refine its programming activities to ensure that they are effective in promoting inter-country exchanges which would result in measurable economic and social gains. A recent review of past experiences in the promotion of TCDC carried out by external consultants on behalf of the Unit also suggests that many of the existing mechanisms for promoting TCDC linkages remain effective and appropriate for promoting both intraregional and interregional exchanges. However, while supporting the retention of many of the key operational modalities, appropriate refinements and improvements are recommended in respect of their application in order to increase their operational effectiveness. The following provides a brief description of the existing TCDC practices to be retained, together with an indication of the specific improvements proposed for increasing their operational efficiency.

1. Support for the formulation of national policies for TCDC

45. An explicit policy regarding the promotion and utilization of TCDC is essential if national development efforts are to embrace TCDC actively. The Special Unit for TCDC will assist countries in formulating or strengthening such policies. This will directly support Economic and Social Council resolution 1992/41 of 30 July 1992, which calls on all parties in the development effort to give the TCDC option first consideration in technical cooperation activities.

2. Strengthening of national TCDC focal points

46. In order to ensure that national focal points function optimally, they should be elevated in status and located organizationally so as to have direct

/...

responsibility for, and be significantly involved in, the management of technical cooperation activities. In addition, consideration would need to be given to establishing TCDC focal points in national umbrella organizations representing the private sector, such as chambers of commerce and/or the NGO community, in order to provide greater synergy in the efforts of the various actors in society in the promotion of TCDC.

3. Capacities and needs matching exercises

47. A review and recent evaluation of the experience of past capacities and needs matching exercises sponsored by the Special Unit for TCDC suggests the need to ensure that these exercises are an adequately prepared, demand-driven process where needs and capacities identified are realistic in terms of their potential application and relevant to key development objectives of recipient countries, and that adequate funding has been arranged to carry out the resulting agreements.

48. The Special Unit for TCDC will monitor the implementation of the agreements concluded under each capacities and needs matching exercise to evaluate the effectiveness of these agreements over time. This will enable the Unit to make a definitive assessment of the implementation rate of such agreements, which, in turn, it will share with the participating Governments, other developing countries and other interested parties.

4. Enhancing the role of UNDP country offices as facilitators of TCDC

49. To be effective, TCDC requires the support of committed practitioners located in the UNDP country offices who have the responsibility for imbuing the entire UNDP country programme with the spirit of TCDC and for carrying out a dialogue with appropriate government officials, including the national TCDC focal point, on the role of TCDC within the development process. Critical to the success of this effort will be the strong support and commitment which it receives from the UNDP country-based delivery system, led by the resident representative, and also from other United Nations agency representatives.

5. Improved collaboration with centres of excellence

50. In recent years, there has been a significant expansion in the number of centres of excellence in the developing countries. In addition, there has been a proliferation of interesting think-tanks, business roundtables, NGO forums and NGO databases and communications networks, as well as technical institutes. The Special Unit for TCDC will therefore seek to establish systematic linkages with various centres in an attempt to mobilize their support for the promotion of innovative TCDC programmes. Special emphasis will be placed on establishing effective research and cooperation programmes with partners such as the South Centre and the Third World Network, both of which have been very active in advancing the cause of South-South cooperation.

6. Expansion of TCDC-INRES to a multidimensional database system

51. The computerized TCDC-INRES has promoted and facilitated the use of the TCDC modality by maintaining and disseminating information on institutional capacities existing in the developing countries. To intensify the dissemination of information at the global level, the Special Unit for TCDC distributed a new software package, INRES-Lite, in late 1994 to all developing countries, UNDP country offices, United Nations agencies, the regional commissions and selected NGOs. The advantage of this new software package is that it is user-friendly and would enable its users to have direct access to information on institutional capacities in the developing countries.

52. To accelerate further the utilization of the TCDC modality through the use of computer technology, it is proposed that the computerized INRES be expanded into a multidimensional database that brings together in one place useful information relevant to developmental activities. Such a multidimensional system would include data on a selected number of individual experts in each sector in the developing countries and on centres of excellence in the developing world, together with a record of successfully completed, innovative projects suitable for replication in other developing countries. In the development of such a multidimensional system, the Special Unit for TCDC would draw as far as possible on existing systems in the United Nations system.

53. Preparations are under way to place INRES data and important TCDC documents on the Internet, along with access to the other databases that UNDP has already made available via its Internet gateway. This offers the prospect of world-wide and real-time access to TCDC activities and INRES.

7. A more proactive role for the Special Unit for TCDC

54. Given its central role and responsibility within the United Nations system for the promotion of TCDC, the Special Unit for TCDC intends in future to adopt a more proactive stance in bringing creative and innovative projects to the attention of developing countries and the international development community as a whole, instead of merely reacting to requests from Governments and other agencies within the United Nations system.

55. The Special Unit for TCDC will also take the lead in consultations with the UNDP regional bureaux in ensuring the full integration of TCDC within UNDP programmes carried out at the national, subregional and regional levels. In addition, the Unit will also seek to promote, as appropriate, increased linkages between its own activities and the TCDC components of these programmes.

56. The Special Unit for TCDC will develop suitable TCDC products and project packages which meet the needs of the developing countries and which, by virtue of their importance, will be likely to attract funding from the donor community as well as from the developing countries themselves.

8. Promotional activities

57. The Special Unit for TCDC will continue to publish its magazine Cooperation South on a semi-annual basis as a means of promoting greater awareness of TCDC. The publication will be modified, however, to make it more substantive than in the past, and also to provide a forum for the discussion of serious development issues relevant to TCDC which are likely to be of special interest to development practitioners as well as interested members of the public.

58. The Special Unit for TCDC will also increase its efforts to promote greater sensitization of the developing countries towards TCDC through support for training programmes carried out at the national level. In addition, the Unit will continue to organize suitable training programmes for United Nations agency representatives, whenever such training is requested. The Unit will also seek to ensure that a suitable TCDC component or module is included in all training programmes organized by UNDP, in a continuing effort to ensure that the concept becomes a pervasive element in the culture of multilateral technical cooperation. Finally, consideration should be given to the introduction of TCDC as a subject of national training programmes and, as appropriate, in programmes carried out by relevant international institutes.

B. New initiatives

59. In addition to retaining a core of existing TCDC practices and building on their proven success through improvement and refinement, the new global scenario that has emerged offers unique opportunities for the intensification and expansion of TCDC activities based on new and imaginative initiatives. The emergence of new linkages and capabilities as well as new needs at the national, subregional, regional and interregional levels places the Special Unit for TCDC in a unique position to play an overarching role as a global facilitator of the TCDC process with the support of the rest of the United Nations system. This is true especially in areas where bilateral linkages are inadequate or where sustained strategic interventions cannot realistically be provided through other delivery mechanisms.

60. The following section describes a number of new elements recommended for expanding the interventions within the framework of the United Nations system and beyond.

1. Integration of TCDC and ECDC

61. As originally conceived in the Buenos Aires Plan of Action and through resolutions of the General Assembly, TCDC was seen as having an integral relationship to ECDC. However, over the years there has been a tendency for the two concepts, although closely related, to be pursued somewhat independently of each other. This is partly explained by the fact that TCDC and ECDC are institutionally separate within the United Nations system, with TCDC the responsibility of UNDP and ECDC the responsibility of UNCTAD. In the light of current global realities, it is important and timely to reverse this trend and

to renew efforts to ensure that the two concepts become more closely linked at an operational level.

62. This goal could be achieved by identifying areas in which TCDC initiatives could directly support comprehensive ECDC programmes such as the Caracas Programme of Action. The Special Unit for TCDC intends to undertake a systematic review of this programme as well as other initiatives being carried out within the ECDC framework to identify opportunities for establishing suitable linkages.

63. Following General Assembly resolution 49/96, closer collaboration is already taking place on a formalized basis between the units responsible for TCDC and ECDC. This is occurring in the context of the preparation of the Secretary-General's report on the status of South-South cooperation and also in respect of the meeting of government experts, which will make recommendations on the issues and modalities that might be addressed by a future conference on South-South Cooperation. The Special Unit for TCDC and the Division for ECDC of UNCTAD have engaged in extensive consultations on these issues and the Special Unit has in fact agreed to fund a number of consultancy inputs designed to assist UNCTAD in the substantive preparations for the experts meeting, due to be held in late July/early August 1995. The Unit has also funded other activities executed by UNCTAD which are relevant to the broad objectives of TCDC.

64. The establishment of closer links between TCDC and ECDC is a central aspect of the new strategic thrust which the Special Unit for TCDC intends to adopt in the future.

2. Identification of pivotal TCDC countries

65. As described earlier, a number of countries in each developing region have achieved significant economic growth and have either engaged in sponsoring TCDC exchanges or would welcome the opportunity to do so. The Special Unit for TCDC will therefore initiate consultations with a number of pivotal countries in each region to identify new and innovative possibilities for implementing TCDC activities at either the regional or interregional level. Such initiatives could be carried out within the framework of a broad cooperation agreement between the Unit and the countries concerned, which would enable the parties to spell out their respective responsibilities in carrying out specific programmes.

3. Promotion of triangular cooperation arrangements

66. The concept of triangular cooperation, which involves the participation of developed countries in the TCDC process, has the potential to make a significant contribution to the realization of the objectives of TCDC. Under such arrangements, donor countries can utilize the services of developing countries with the requisite capacity to deliver a technical cooperation input to another developing country on a cost-effective basis. This has occurred in the case of Chile which, with the support of the Netherlands, trained the TCDC focal points in the Central American countries. Similarly, Brazilian expertise was utilized, on the basis of donor funding, in support of technical cooperation activities in

/...

Mozambique. The Asia-Africa Forum initiative supported by Japan also has the potential to be used in this manner. It is possible to conceive a number of possible variations in the application of this basic concept. The Special Unit for TCDC will document successful TCDC triangular cooperation arrangements with a view to incorporating such arrangements involving Governments, the private sector and NGOs, as appropriate, in its own activities. Information on these experiences will be shared with interested countries.

4. Transfer of successful project experiences among developing countries

67. A major weakness of traditional multilateral technical cooperation has been the failure to document systematically successful project experiences and to establish appropriate mechanisms for transferring such experiences to other developing countries, either within the same region or in other regions. Consequently, many successful and innovative project experiences have not been replicated. This has led to situations in which new technical cooperation interventions have tended to duplicate attempts to find solutions which have already been developed elsewhere. To eliminate this deficiency, the Special Unit for TCDC will document innovative and imaginative project experiences developed within UNDP and develop a global inventory of such projects, which will be disseminated to all countries through a revised TCDC-INRES, which, as mentioned earlier, will be converted into a multidimensional database. In addition, where appropriate, the Unit will be prepared to serve as a mechanism to facilitate the transfer of such project experiences to other developing countries.

5. Formulation of subject-specific TCDC products

68. In order to respond to emerging problems which developing countries may need to address on a cooperative basis, the Special Unit for TCDC intends to explore the feasibility of formulating specific "project packages" in high impact development cooperation areas which could attract special funding, either from the developing countries themselves or from other donors. As examples, such projects could include specific assistance necessary to enable a select group of developing countries to comply with the requirements of the provisions of internationally accepted agreements, such as those relating to the Uruguay Round of the General Agreement on Tariffs and Trade (GATT), now the World Trade Organization (WTO), or the implementation of a discrete set of activities to be carried out in the context of implementing the Programme of Action for the Sustainable Development of Small Island Developing States.

6. Group of 77/UNDP award for TCDC/ECDC

69. The launch of the Group of 77/UNDP award for TCDC/ECDC, which will be presented annually to an individual, group or institution to implement a project or carry out an activity deemed to make the greatest contribution to TCDC or ECDC, is designed to promote greater awareness of the importance of South-South cooperation. The winner of the award will be announced on the anniversary of

/...

the Group of 77 and will be formally presented on the occasion of the annual ministerial meeting of the Group held in New York during the General Assembly.

7. Special Unit for TCDC and the Group of 77

70. The Special Unit for TCDC will seek to strengthen its cooperation with the Group of 77 in order to ensure effective support for the implementation of TCDC activities, particularly in the context of the Caracas Programme of Action. The cooperation between the Unit and the Group of 77 in the management of the Pérez-Guerrero Trust Fund for Economic and Technical Cooperation among Developing Countries, for example, has produced good results and will serve as an important basis on which to build a stronger relationship in terms of the promotion of South-South cooperation.

8. Special Unit for TCDC and the donor community

71. Although TCDC is primarily the responsibility of the developing countries, continued donor support for the modality can make an important contribution to its success. As mentioned earlier, South-South cooperation was emphasized as an important element of the 1991 DAC Principles on new orientations in technical cooperation, which, among other things, stressed the importance for the developing countries to assume increased responsibility for the formulation and management of their technical cooperation programmes. The issue of South-South cooperation has also featured in the discussions which have taken place in the DAC/World Bank/UNDP network on the effectiveness of technical cooperation in the 1990s. The Special Unit for TCDC therefore intends to initiate consultations with donors in order to identify possibilities for increased cooperation in promoting TCDC as a cost-effective modality in the delivery of multilateral technical cooperation activities.

VII. INSTITUTIONAL ARRANGEMENTS

72. The broad elements of the new directions strategy outlined above would require appropriate institutional arrangements to be put in place to support the substance of the new thrust and its effective operationalization. This section of the report, therefore, addresses the institutional dimension of the new direction process at the intergovernmental, national and regional levels as well as within the United Nations development system.

A. High-level Committee

73. The High-level Committee should continue to serve as the intergovernmental entity responsible for the review of TCDC. However, within recent years, apart from reviewing TCDC, the Committee has also monitored the implementation of the recommendations contained in the report of the South Commission on South-South cooperation. In fact, the Committee requested the Administrator of UNDP to report to its ninth session on the inclusion of the recommendations of the report in the TCDC activities of the developing countries and United Nations

/...

organizations. Bearing in mind the proposal in the present report to promote closer operational linkage between TCDC and ECDC, it is recommended that the Committee should in future carry out a more systematic review of the relationship between TCDC and ECDC.

B. National level

74. Apart from formulating national TCDC policies, Governments should carry out a review of internal institutional arrangements for coordinating and managing TCDC to determine what changes to existing arrangements may be necessary in order to ensure more effective support to the TCDC process. Moreover, Governments could facilitate the application of TCDC at the national level by putting in place arrangements that would enable them to utilize better the revised TCDC-INRES information system and to use this resource as a means of exchanging information with other developing countries.

75. The effective promotion of TCDC would require that careful consideration be given to the strategic location of the national TCDC focal point mechanism in the government structure, the provision of adequate staff support and the effective control over resources allocated for TCDC in the national budget and overall development programme.

76. Consideration should also be given to the establishment of a suitable mechanism for incorporating the views of NGOs and the private sector in the articulation of TCDC policy and the planning and implementation of TCDC activities. One possible mechanism would be a national commission comprising representatives from the Government together with representatives from umbrella private sector organizations and NGOs to serve as a guidance council for promotional and operational activities. NGOs and private sector organizations should also be encouraged to utilize the TCDC-INRES database as part of their overall information system.

C. Regional and subregional levels

77. Regional and subregional organizations with clear mandates and specific sectoral or thematic orientation and supported with the resources necessary for carrying out their stated objectives could be utilized as effective conduits for delivering TCDC programmes. The Special Unit for TCDC will therefore strengthen its relations with such organizations in an effort to establish appropriate linkages in support of TCDC initiatives.

D. United Nations development system

78. Any proposal for changes in existing institutional arrangements and operational modalities in support of TCDC would need to take into consideration, among other things, existing legislative mandates on the subject, issues relating to the manner in which TCDC can be further enhanced within the United Nations development system and also the most appropriate location within the United Nations system of the functions of the institutions responsible for the

promotion and application of TCDC, with special reference to the Special Unit for TCDC, which serves as the catalyst and coordinator within the United Nations development system in respect of TCDC matters. This latter issue has been the subject of some discussion in recent years. Based on the recognition that the TCDC mandate, as reflected in the Buenos Aires Plan of Action and reinforced by General Assembly resolution 33/134 of 19 December 1978, which endorsed the Plan of Action, is an independent and clearly articulated imperative of international cooperation, supporting institutional arrangements will need to reflect this reality.

79. More generally, there is considerable potential within the United Nations development system to support the systematic incorporation of TCDC in all operational programmes. Innovative approaches adopted in the various United Nations agencies, such as FAO's TCDC protocol, should be replicated to the greatest extent possible. However, a renewed effort would need to be made to fashion operational modalities that will enable the system to become more responsive to TCDC. The Special Unit for TCDC will seek to play a proactive role in the future in seeking to ensure that TCDC is seen as a strategic element of multilateral development cooperation within the United Nations development system. Within UNDP itself, new and innovative approaches will be explored to stimulate the increased application of the TCDC modality in programme and project implementation.

80. The Special Unit for TCDC will in future contact national focal points, and national TCDC commissions where they exist, on a regular basis to inform them of global TCDC developments and will also organize training programmes for focal points, both at the national and regional levels. In the United Nations organizations and agencies, the focal point mechanism would need to be strengthened and orientation programmes in TCDC should be undertaken more systematically.

81. Based on a more systematic review of the status of TCDC in the United Nations development system, as in the past, UNDP will seek to ensure that the subject is periodically reviewed by the Administrative Committee on Coordination.

VIII. FUNDING

82. The provision of adequate funding remains central to the realization of the objectives of the new directions agenda.

83. In reviewing these funding requirements, it is relevant to point out that TCDC represents a cost-effective approach to the delivery of technical cooperation in support of medium- and long-term development objectives. The relevance of TCDC and its unique advantages in tackling priority development issues are being increasingly acknowledged and recognized. Its increased utilization could, therefore, make a significant contribution to multilateral development cooperation by reducing the overall cost of such cooperation and by enhancing its quality.

84. In terms of sources and types of TCDC funding, some of the major possibilities are indicated below.

A. National resources

85. In keeping with the principle of self-reliance, the developing countries themselves should consider allocating resources from their national budgets for the promotion of TCDC. In addition, by meeting the basic thrust of TCDC, this could have an important demonstration effect and, on this basis, attract contributions from other sources.

86. One of the ways of securing optimal use of national resources dedicated to TCDC would be the pooling of resources currently under the administration of different national agencies. Such pooling of resources should also provide a basis for matching external resources with national allocations for TCDC.

B. Special Unit for TCDC

87. In order to increase the capacity of the Special Unit for TCDC to promote and implement innovative and imaginative activities, consideration should be given to increasing the allocation of resources to TCDC during the next programming cycle.

88. In addition, the Special Unit for TCDC will attempt to assist countries and organizations to obtain financing for specific programmes and will also serve as a resource centre for developing innovative funding packages.

C. Indicative planning figures

89. Developing countries should be encouraged to continue to allocate resources from their national IPFs to finance TCDC exchanges among themselves. Moreover, the allocation of resources to activities using the TCDC modality can be enhanced through several mechanisms. First, at the time of preparing or reviewing country programmes, activities should be identified for the application of the TCDC modality. Secondly, the UNDP Project Appraisal Committees and the Programme Review Committee will be requested to examine whether the TCDC modality has been given due consideration in the design of programmes and projects. Thirdly, UNDP resident representatives will be instructed to report specifically on the application of the TCDC modality in their annual reports. Fourthly, the Programme and Projects Manual will be revised to include instructions for incorporating the TCDC modality. Finally, specific budget lines will be included in UNDP-funded programmes and projects in order to identify TCDC elements in such programmes and projects.

90. Similarly, the various regional and subregional programmes could also play an important role in allocating resources in support of TCDC initiatives. Regional programmes should, therefore, be systematically reviewed to determine opportunities for the increased application of the TCDC modality.

D. Triangular funding arrangements

91. Triangular funding arrangements should be explored as a means of increasing resources for the promotion of TCDC. Under this arrangement, donor countries would provide third-party funding for TCDC activities carried out between developing countries. The model is now fairly well established and is used by a number of countries in different regions. Its application would need to be expanded, especially in view of the shrinking volume of external financing for traditional development cooperation activities.

E. Special financing packages for TCDC products

92. As indicated earlier, the identification of specific products and project packages to deal with high priority issues relevant to the needs of the developing countries to be met through TCDC interventions may be able to attract appropriate donor funding. Through TCDC projects focused on specific problems on a sustained basis, products can be developed to deal with common issues confronting a large number of developing countries. Such products could, inter alia, include plans for the implementation of WTO rules established under the Uruguay Round negotiations of GATT; joint implementation arrangements for meeting obligations under the United Nations Framework Convention on Climate Change; a macroeconomic framework for structural adjustment protecting social investments; the establishment of a framework for the management of foreign aid; and appropriate debt management systems. These products will contribute to increased economic cooperation and global growth and, on this basis, attract appropriate donor support for TCDC activities.

F. Private-sector funding

93. In recent years, a number of major private sector corporations have emerged in the developing world. Some of these corporations operate transnationally and have significant resources at their disposal. Such corporations could become valuable sources of potential funding for TCDC.

IX. CONCLUSIONS

94. The present report has sought to review the TCDC experience over nearly two decades since the adoption of the Buenos Aires Plan of Action in 1978. On this basis, it advances a number of proposals regarding the substantive policy and operational thrust as well as the elements of a new agenda that will enable TCDC to serve as a dynamic instrument of multilateral technical cooperation. These proposals have been formulated against the background of the far-reaching changes taking place in the structure of international economic relations, which have important implications for the future of multilateral technical cooperation. In fact, an important premise of the report is that, given the changes occurring in the traditional structure of multilateral technical cooperation, TCDC is likely to assume increasing importance in the future.

95. In view of the dynamic nature of the evolution of multilateral development cooperation, the report is presented as an initial statement in an ongoing dialogue on TCDC, which is taking place in the context of an emerging global agenda that will be shaped by the contributions of a number of international conferences, such as the International Conference on Population and Development, the World Summit on Social Development, the Fourth World Conference on Women and Habitat II, as well as the proposed Agenda for Development, which is expected to be adopted at the fiftieth session of the General Assembly. The definition of the role of TCDC and ECDC in this global agenda will also be shaped by the discussions which will take place during the preparatory processes leading up to the proposed conference on South-South cooperation and during the conference itself.

96. It is appropriate that, as the United Nations celebrates its fiftieth anniversary, special consideration should be given to TCDC, which, over the years, has developed as an integral part of the operational activities of the United Nations system. It is also significant that 1995 marks the twentieth anniversary of the adoption by the UNDP Governing Council of its decision on new dimensions in technical cooperation, which called for the application of TCDC as a major technical cooperation modality in programmes and projects funded by the organization.

97. The decisions of the High-level Committee on new directions for TCDC will make an important contribution to the further elaboration of TCDC as an instrument for harnessing the significant capacities which exist in the developing world in support of a truly global enterprise in the service of development.

Notes

1/ See Official Records of the Economic and Social Council, Fifty-ninth Session, Supplement No. 2A (E/5703/Rev.1), para. 54.

2/ Report of the United Nations Conference on Technical Cooperation among Developing Countries, Buenos Aires, 30 August-12 September 1978 (United Nations publication, Sales No. E.78.II.A.11 and corrigendum), chap. I.

3/ A/36/333 and Corr.1, annex.

4/ New York, Oxford University Press, 1990. For an overview and summary of the report of the South Commission, see A/45/810 and Corr.1, annex.

5/ Report of the Global Conference on the Sustainable Development of Small Island Developing States, Bridgetown, 25 April-6 May 1994 (A/CONF.167/9, and Corr.1 and 2) (United Nations publication, Sales No. E.94.I.18 and corrigenda), chap. I, resolution 1, annex II.

ANNEX I

List of participants in the External Panel on New Directions
for technical cooperation among developing countries

New York, 6-7 March 1995

Dame Margaret Joan Anstee	(United Kingdom of Great Britain and Northern Ireland)
Carlos Sersale di Cerisano	(Argentina)
S. M. S. Chadha	(India)
Mersie Ejigu	(Ethiopia)
M. T. Mehdi	(United States of America)
A. M. A. Muhith	(Bangladesh)
Carlos A. Pimentel	(Brazil)
Oscar de Rojas	(Venezuela)
William T. Tita	(Cameroon)
Angel Vinas	(Spain)
George E. Williams	(Dominica)

ANNEX II

Summary of the main recommendations of the report

1. Adopt a more strategic focus for TCDC in terms of initiatives that would have a major development impact and would involve a large number of developing countries;
2. Select priority issues, such as trade and investment, debt, the environment, poverty alleviation, production and employment, macroeconomic policy coordination and aid management for strategic focus;
3. Promote closer operational integration between TCDC and ECDC;
4. Attenuate the traditional distinction between "promotional" and "operational" TCDC activities;
5. Formulate comprehensive national policies on TCDC;
6. Strengthen national TCDC focal points by elevating their status and ensuring their appropriate location within the governmental structure;
7. Restructure capacity and needs matching exercises;
8. Enhance the role of UNDP country offices as facilitators of TCDC;
9. Expand TCDC-INRES into a multidimensional database;
10. Identify "pivotal" TCDC countries;
11. Promote triangular cooperation arrangements for implementing TCDC activities;
12. Document and transfer successful innovative project experiences among developing countries;
13. Formulate subject-specific TCDC "products" that could attract special funding on the basis of their intrinsic importance;
14. Launch the Group of 77/UNDP award for TCDC/ECDC;
15. Expand the functions of the High-level Committee to ensure closer monitoring of TCDC as it relates to ECDC;
16. Carry out a comprehensive review of institutional arrangements at the national level in order to strengthen national capacity for the management of TCDC;
17. Strengthen links between the Special Unit for TCDC and regional organizations with the capacity to serve as conduits for TCDC;

18. Strengthen the role of the United Nations development system to support TCDC and ensure continued monitoring by the Administrative Committee on Coordination;

19. Establish links with NGOs and the private sector in an effort to promote TCDC;

20. Identify new funding arrangements, including consideration of the following:

(a) Increased national allocation of resources for TCDC;

(b) Increased allocation of resources for TCDC in the next UNDP programming period;

(c) Encourage countries to continue to allocate a proportion of their national IPFs for TCDC;

(d) Promote triangular funding for TCDC projects;

(e) Mobilize resources for TCDC products based on high priority initiatives likely to attract donor funding;

(f) Mobilize private sector funding for TCDC;

(g) Strengthen the Special Unit for TCDC to play a proactive role within the United Nations system in an effort to expand application of TCDC.
